



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF METRO)
TELECONNECT COMPANIES, INC. FOR AUTHORITY)
TO PROVIDE TELECOMMUNICATIONS SERVICES)
IN THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE02110894

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N. J. S. A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated November 26, 2002, Metro Teleconnect Companies, Inc. ("Petitioner" or "Metro Teleconnect") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to operate as a competitive facilities-based provider and reseller of telecommunications services in the State of New Jersey. Pursuant to the Open Public Records Act N.J.S.A. 47:1A-1 et seq., Petitioner has submitted its financial information under seal and has included a sworn affidavit with substantiation for confidential treatment in order to limit the availability of proprietary information.

Metro Teleconnect Companies, Inc. is a privately held corporation initially organized as Cellular Rentals, Inc. ("Cellular") under the laws of the State of Pennsylvania. Later, Cellular filed a Certificate of Amendment to change its corporate legal name to Metro Teleconnect Companies, Inc. Metro Teleconnect, Inc. is a wholly owned subsidiary of Metro Teleconnect Companies, Inc. Petitioner's principal offices are located at 2150 Herr Street, Harrisburg, Pennsylvania 17103.

Petitioner has submitted copies of its Amended Articles of Incorporation, Certificate of Good Standing from the State of Pennsylvania and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, Metro Teleconnect was formed to operate as a competitive facilities-based carrier and reseller of telecommunications services in the State of New Jersey. Petitioner states that it is currently authorized to provide local exchange telecommunication service in the State of Arkansas, Connecticut, Delaware, the District of Columbia, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey (resale only), New York (operating as cellular Rentals, Inc.), North Carolina, Ohio, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Texas, Vermont and West Virginia. The Petitioner is also authorized to provide local exchange telecommunication service in the State of Virginia through its wholly-owned subsidiary. The Petitioner states that it has filed, or intends to file, applications requesting authority to provide local exchange services in the states of Alabama, Florida, Georgia, Louisiana, Mississippi and Tennessee. Petitioner states that neither Metro Teleconnect nor its affiliated entity has been

denied authority to provide telecommunications services in any state and has not had its authority to provide telecommunications service revoked in any state. According to the Petition, Metro Teleconnect has not had any civil or criminal proceedings brought against it or settled any such proceedings in any jurisdiction. The Petitioner has never filed for bankruptcy nor has it been the subject of any state or federal investigation.

In its Petition, the Company seeks authority to provide competitive facilities-based local exchange and resale of telecommunications services to residential customers throughout the state of New Jersey. Petitioner states that it plans to provide flat-rated local exchange services including optional calling features. Petitioner proposes to provide these services by purchasing, from Verizon New Jersey, wholesale telecommunications services and unbundled network elements, particularly the unbundled network elements platform, pursuant to applicable federal and state requirements. Petitioner initially intends to provide local service in those areas currently served by Verizon. Petitioner states that where facilities permit, service will be available on a full-time basis, twenty-four hours per day, seven days per week. At present, Petitioner does not offer long distance services to consumers but it may do so in future. Petitioner further states that currently it has no plans to build, acquire, or install equipment or facilities in New Jersey. According to the Petition, since 1997, Metro Teleconnect began operations in Pennsylvania and expanded to provide telecommunications services to consumers in over 25 states. Petitioner states that prior to commencement of service, Metro Teleconnect will file a tariff for Board's approval.

Petitioner requests a waiver of N. J. S. A. 48:3-7.8(a) and N. J. A. C. 14:10-1.16 which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Harrisburg, Pennsylvania. Petitioner also states, upon written notice from the Board, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Metro Teleconnect states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to Metro Teleconnect, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et. seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N. J. S. A. 48:2-21.16(a)(4); N. J. S. A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Metro Teleconnect's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide telecommunications services throughout New Jersey subject to approval of its tariff. The Board also FINDS that in accordance with N. J. S. A. 48:2-59 and 48:2-60 and N. J. S. A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is approved by the Board.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N. J. S. A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year.
- 3) Pursuant to N. J. S. A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Audits, an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination

of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 4/24/03

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

JEANNE M. FOX
PRESIDENT

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

(SIGNED)

CAROL J. MURPHY
COMMISSIONER

(SIGNED)

CONNIE O. HUGHES
COMMISSIONER

(SIGNED)

JACK ALTER
COMMISSIONER

ATTEST:

(SIGNED)
KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION OF METRO TELECONNECT COMPANIES, INC.
FOR AUTHORITY TO OPERATE AS A COMPETITIVE FACILITIES-BASED
PROVIDER AND RESELLER OF TELECOMMUNICATIONS SERVICES
IN THE STATE OF NEW JERSEY

DOCKET NO. TE02110894

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